

## Message Text

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FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC PRIORITY 2866

INFO AMEMBASSY KINGSTON

AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L PORT AU PRINCE 2441

EO 11652 GDS

TAGS: PGOV, PINT, HA

SUBJECT: HAITI'S GOVERNMENTAL SHAKEUP REMOVES POWERFUL DUVALIERIST  
ADVISOR

REF: PORT AU PRINCE 2408

SUMMARY: AMONG THE GOVERNMENTAL CHANGES ANNOUNCED SEPT 7 (REFTEL), THE DISMISSAL OF HENRI SICLAIT, DIRECTOR OF REGIE DU TABAC, RANKS AS A MAJOR EVENT IN HAITIAN POLITICS COMPARABLE TO THE OUSTER OF STRONGMAN LUCKNER CAMBRONNE IN 1972. SICLAIT, THROUGH HIS CONTROL OF NON-FISCALIZED TAXES COLLECTED BY THE REGIE ON A BROAD RANGE OF COMMODITIES, WAS THE POWER BEHIND THE THRONE, A NOTORIOUSLY CORRUPT AND SHADOWY MACCHIAVELLIAN EMINENCE WHOSE INFLUENCE WAS PERVASIVE AND WHOSE AMBITIONS IN RECENT TIMES MAY HAVE EXTENDED TO THE PRESIDENCY ITSELF. DUVALIER HAS NOW CUT SHORT SUCH HOPES AND SENT SICLAIT INTO EXILE. THIS ACTION, ACCLAIMED BY HAITIANS OF ALL CLASSES, SHOULD CONSOLIDATE THE PRESIDENT'S AUTHORITY AND MAY OPEN THE WAY FOR A LONG OVERDUE REGULARIZATION OF REGIE OPERATIONS, ALTHOUGH JUDGMENT ON THAT SCORE MUST AWAIT FURTHER DEVELOPMENTS. END SUMMARY.

1. REASONS FOR SICLAIT'S FALL. SICLAIT APPEARS TO HAVE FALLEN VICTIM TO HIS OWN AVARCIE AND AMBITION. BOTH QUALITIES WERE UN-  
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CHECKED BY ANY PRUDENT SENSE OF RESTRAINT; IN RECENT MONTHS BOTH

BROUGHT HIM SQUARELY INTO CONFLICT WITH THE YOUNG AND INCREASINGLY SELF-CONFIDENT PRESIDENT. SICLAIT'S ESPOUSAL OF A SCHEME THIS SPRING TO ACCEPT A HIGH FRENCH BID FOR A WORLD BANK-FINANCED THERMAL POWER STATION IN RETURN FOR A SUBSTANTIAL KICK-BACK FAILED WHEN WORLD BANK CONSULTANTS, ALERTED BY PIERRE PETIT, THEN THE PUBLIC WORKS MINISTER, VETOED THE DEAL. SICLAIT'S SUCCESS IN OUSTING PETIT AND INSTALLING HIS OWN PROTEGE, FERNAND LAURIN, A MAN WHO APPEARS UNQUALIFIED FOR THE JOB, OPENED HIM TO CRITICISM. AT THE SAME TIME, SICLAIT REPORTEDLY INTENSIFIED HIS EFFORTS TO PLACE HIS SUPPORTERS IN KEY GOVERNMENTAL POSITIONS AND, ACCORDING TO ONE KNOWLEDGEABLE SOURCE, HE EVEN BEGAN TO GIVE CASH TO MILITARY OFFICERS TO PROCURE THEIR LOYALTY. FINALLY, SICLAIT'S TASTE FOR CONSPICUOUS CONSUMPTION GREW MORE PRONOUNCED AND IN RECENT MONTHS HE PURCHASED LAND AND BUILT HOUSES AT A DIZZYING PACE. PRESIDENT DUVALIER REPORTEDLY MISSED NONE OF THESE MOVES, QUIETLY DECIDED THAT SICLAIT'S CHALLENGE HAD TO BE MET, AND GAVE SICLAIT NO INKLING OF THE FATE IN STORE FOR HIM, EVEN PERMITTING HIM TO PARTICIPATE AS USUAL IN THE RECENT DISCUSSIONS ON CABINET CHANGES. SICLAIT WAS PLACED UNDER HOUSE ARREST SEPTEMBER 7 AND UNCEREMONIOUSLY DEPORTED TO FRANCE THE FOLLOWING DAY.

2. CASUALTIES. SICLAIT'S DISMISSAL IS BEING INTERPRETED AS A DISTINCT LOSS OF POWER FOR MADAME SIMONE OVIDE DUVALIER WHO, WITH SICLAIT'S HELP, HAS TENACIOUSLY CONTESTED HER SON'S DECISIONS AND SOUGHT TO PROTECT OLD GUARD DUVALIERISTS AGAINST THE TIDES OF CHANGE. ONE SOURCE EVEN DESCRIBES THE MOVE AS A "NO HOLDS BARRED ATTACK ON THE FIRST LADY'S POWER BASE" WHICH COULD IMPEL HER IN THE COURSE OF COMING MONTHS TO TAKE AN EXTENDED REST CURE IN EUROPE PREPARATORY TO RETIREMENT ABROAD. (HER DAUGHTERS MARIE-DENISE DOMINIQUE AND SIMONE LIVE IN PARIS.) MADAME DUVALIER'S DEPARTURE WOULD ELIMINATE THE CRIPPLING DUALISM OF POWER IN THE PALACE AND WOULD THUS PERMIT MORE CONCERTED EFFORTS AT REFORM AND ECONOMIC DEVELOPMENT UNDER DUVALIER'S LEADERSHIP.

A PROSPECTIVE CASUALTY IS PUBLIC WORKS MINISTER LAURIN, A SICLAIT PROTEGE WHO SEEMS OVERWHELMENED BY HIS JOB. A PETIT REAPPOINTMENT IS A DEFINITE POSSIBILITY, ALTHOUGH PETIT WOULD INSIST ON STIFF TERMS AND A RENEWED MANDATE.

3. BENEFICIARIES: LONG-TERM NATIONAL BANK PRESIDENT ANTONIO ANDRE, CONFIDENTIAL

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WHO AT SICLAIT'S BEHEST HAD BEEN SHIFTED FROM THE BANK TO THE LESSER POST OF COMMERCE AND INDUSTRY MINISTER IN THE LAST CABINET RESHUFFLE, HAS BEEN CONDUCTING BUREAUCRATIC WARFARE AGAINST SICLAIT FOR MONTHS. ANDRE'S REINCARNATION AT THE BANK IS A VICTORY FOR THIS SAGACIOUS COUNSELOR AND FOR FINANCE MINISTER BROS, WHO SHARES HIS VIEWS ON FISCAL RESPONSIBILITY. OTHER BENEFICIARIES INCLUDE THE RESPECTED ECONOMIST JULES BLANCHET, A SICLAIT ANTAGONIST REAPPOINTED TO SUPERVISE THE CENTRAL AUDITING

BUREAU, AND FIDELIA WAINWRIGHT, AN IRREPROACHABLE TECHNICIAN AND ALLY OF PETIT REAPPOINTED TO DIRECT THE STATE ELECTRICITY AUTHORITY.

4. IMPLICATIONS FOR US POLICY:

(A) WE HAVE CONSISTENTLY MADE KNOWN TO SENIOR HAITIAN GOVERNMENT OFFICIALS OUR VIEW THAT EXTENSIVE, UNACCOUNTABLE, AND SECRET REGIE TAKINGS WERE DIFFICULT TO RECONCILE WITH OTHER EVIDENCE IN RECENT YEARS OF A SERIOUS GOVERNMENTAL INTENT TO MOBILIZE RESOURCES FOR NATIONAL DEVELOPMENT. THE WORLD BANK HAS BEEN EVEN MORE POINTED, AND THE PRESENT IMF REPRESENTATIVE HAS ECHOED THE THEME. NEVERTHELESS, PRESIDENT DUVALIER HAS RESISTED ALL OUTSIDE SUGGESTIONS FOR PUBLICIZING THE DEGREE TO WHICH REGIE FUNDS ARE ACTUALLY BEING USED FOR DEVELOPMENTAL PURPOSES AND FOR PLACING REGIE FUNDS UNDER GREATER BUDGETARY CONTROLS, ALTHOUGH HE IS WELL AWARE THAT SOME MOVE IN THESE DIRECTIONS WOULD MAKE A FAVORABLE IMPRESSION ON THE INTERNATIONAL DONOR COMMUNITY. HOWEVER, THE ANACHRONISM OF THE REGIE HAS BEEN INCREASINGLY BROUGHT HOME TO HIM, AND THE RECENT FIVE-YEAR PLANNING EXERCISE HAS HIGHLIGHTED THE DIFFICULTIES MANY KEY MINISTRIES WILL HAVE IN OPERATING PROGRAMS UNLESS ADDITIONAL SOURCES OF REVENUE ARE MADE AVAILABLE.

(B) THUS THE SICLAIT OUSTER OPENS THE WAY FOR ANEW LOOK AT THE REGIE IN RELATION TO DEVELOPMENT REQUIREMENTS AS ASSESSED BY THE RESPONSIBLE MINISTERS. THE PRESIDENT WILL BE CAUTIOUS ABOUT CURTAILING HIS CONTROL OVER A FUND HE HAS IDENTIFIED WITH HIS POLITICAL SURVIVAL, BUT ACCORDING TO WELL PLACED SOURCES HE DOES INTEND TO PLACE A GREATER PROPORTION OF THESE FUNDS AT THE DIRECT DISPOSAL OF REGULAR BUDGETARY PROGRAMS AND TO GRANT FINANCE MINISTER BROUSSE GREATER AUTHORITY IN DECIDING ON THEIR USE. WE MUST DEFER JUDGMENT ON THIS PROSPECT UNTIL WE KNOW SICLAIT'S SUCCESSOR.

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5. REACTIONS IN HAITI: SICLAIT'S DISMISSAL HAS BEEN ACCLAIMED BY THE BUSINESS COMMUNITY AND THE PROFESSIONAL CLASS (APART FROM A FEW LEADING SYRIAN MERCHANTS WHO PROFITED FROM THEIR ASSOCIATION WITH HIM), AND IT WILL PLEASE KEY MILITARY OFFICERS WHO HAVE CORDIALLY DETESTED THE HIGH-LIVING REGIE DIRECTOR. FOREIGN MINISTER BRUTUS TOLD THE AMBASSADOR THAT HAITIANS FELT AS IF A GREAT BURDEN HAD BEEN LIFTED FROM THEIR HEARTS.

6. CONCLUSION: IN THE FIVE-YEAR COURSE OF YOUNG DUVALIER'S DEVELOPMENT FROM CALLOW UNTESTED YOUTH TO A MORE POISED AND ASSERTIVE LEADER IN HIS OWN RIGHT, THE SICLAIT OUSTER WILL BE RECORDED AS A BENCHMARK COMPARABLE TO THE DISMISSAL OF STRONGMAN LUCKNER CAMBRONNE IN 1972. MANY POLITICAL UNCERTAINTIES, CONCEPTUAL AMBIGUITIES, AND ECONOMIC CHALLENGES REMAIN, BUT THE SEPTEMBER 7 EVENTS HAVE ENCOURAGED HAITIANS OF GOOD WILL TO HELP

FOR FURTHER CONSTRUCTIVE CHANGES TO DEAL WITH HAITI'S MULTIPLYING  
ECONOMIC PROBLEMS.  
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